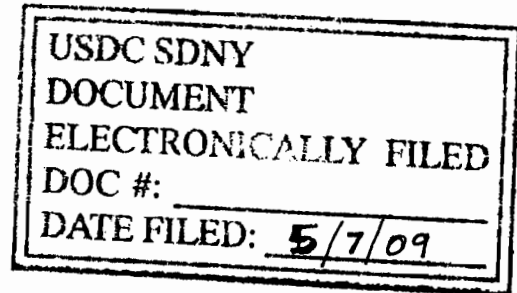


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

-against

ARAGON CAPITAL MANAGEMENT,
LLC, et al.,

Defendants.

ORDER

07 Civ. 919 (FM)

FRANK MAAS, United States Magistrate Judge.

I have reviewed the parties' recent letters concerning defendant Ayal Rosenthal's assertion of his privilege against self-incrimination in connection with both his schedule of assets and his deposition. I further understand the Commission's concern. Indeed, I am also displeased by what I perceive as obvious gamesmanship on Ayal's part. Nonetheless, if the parties' prior stipulations did not preclude them from transferring substantial amounts of money to Ayal, he presumably could have expatriated their funds without removing himself from this country. Since Ayal is a United States citizen, I do not see how his trip to Israel – however long its duration – fundamentally changes the situation.


For these reasons, I consider the Commission's requests for relief an overreaction. I nevertheless will permit the Commission to serve each defendant other than Ayal with no more than five interrogatories inquiring about any asset transfers that they may have made to him. I further direct that the defendants answer those interrogatories under oath within ten business days after they are received. The defendants are reminded that any false statements made in response to those interrogatories may subject them to criminal prosecution.

To the extent that the Commission seeks other or further relief, the requests are denied.

Finally, Ayal is directed to furnish the Court and the Commission within ten days with his current address in Israel and an email address that he regularly uses. Should this information change, Ayal is further directed to notify the Court of his new address within ten days.

SO ORDERED.

Dated: New York, New York
May 7, 2009


FRANK MAAS
United States Magistrate Judge

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